

# REQUEST FOR PROPOSAL

## Addendum # 1



Department Of Executive Services  
Finance and Business Operations Division  
**Procurement and Contract Services Section**  
206-684-1681 TTY Relay: 711

Date: April 18, 2006

RFP Title: **COBRA Administration, Retiree Medical and Flexible Spending Account (FSA) Administration**

RFP Number: **06-032 OB**

Due Date/Time: May 2, 2006 -2:00 P.M.

Buyer: Ovita Bonadie, [ovita.bonadie@metrokc.gov](mailto:ovita.bonadie@metrokc.gov), 206-684-1055

This addendum is issued to respond to questions and changes regarding RFP 06-032 OB.

**The following is Changed:**

Part A Section 1 Subsection 1.14 3. Attachments:

**Delete:** Attachment H – Buy America Certificate

**Add:** C. Tabs within each 3-ring binder must match headings in this proposal. Documents included on the CD need to be in Microsoft Word or Excel format, with the following names:

Executive Summary.doc

Questionnaire.doc

You will be instructed to provide sample communication materials in the questionnaire. They should be provided in clear plastic sleeves in each 3-ring binder under Tab 5.

Part B Section 6 Subsection 5-2 A, 5 bullet – the wellness assessment premiums will be rebated to the Wellness Assessment vendor.

Question 49 – the test sites for both the administrator and the employee should be made available with instructions for their use.

**Continued On Page 2 ▼**

**To be eligible for award of this invitation to bid, this addendum must be signed and submitted along with the original invitation to bid or under separate cover to: [King County Procurement & Contract Services Section, Exchange Building, 8<sup>th</sup> Floor, 821 Second Avenue, Seattle, WA 98104-1598. Office hours: 8:00 a.m. - 5:00 p.m., Monday – Friday.](#)**

Company Name

Address		City / State / Postal Code	
Authorized Representative / Title	Signature	Phone	Fax
Company Contact / Title	Email	Phone	Fax
Delivery guaranteed: <input type="checkbox"/> Yes <input type="checkbox"/> No		Days after order:	
		Prompt Payment Discount Terms: ____ %- ____ Days, Net ____	

This Invitation to Bid will be provided in alternative formats such as Braille, large print, audiocassette or computer disk for individuals with disabilities upon request.

**The following are Questions and Answers:**

1. Why was this RFP issued? (For example, is the contract expiration date approaching? Is the City seeking enhanced or improved services?) Please elaborate.

The County's contract expiration date is approaching and we are interested in pursuing best-in-class services.

2. Who is the incumbent FSA administrator?

Personal Choice Account

- a. What are the current fees for administrative services for the COBRA Administration, Retiree Medical, and Flexible Spending Account (FSA) Administration?

- o Cobra/Retiree – about \$100,000/year before 2% administrative fee rebate
- o FSA – about \$60,000/year

3. Will administrative fees be paid by the County or by its employees?

The 2% admin fee is added to the premiums charged to Cobra/Retirees. In the current contract, it is rebated on the Cobra/Retiree invoice.

4. Is your TPA expected to prepare Plan Documents and/or an Administrative Agreement?

King County will prepare the plan documents (SPD/SMM) and the TPA will review. An administration manual is a requirement.

5. Please describe your benefits enrollment methodologies. Include:

Beginning in 2006, online open enrollment will be offered and will include FSA participation.

6. What communication/education materials are currently being produced? (Consolidated benefits booklet, individual product literature, FSA brochures, posters, announcement letters?) What are your expectations with regard to education materials for this solicitation?

Presently, primary communication/education materials are produced by King County Benefits and Retirement Operations Section staff and include the Summary Plan Description and FSA Guide. Potential vendors should be prepared to propose and discuss communication/education materials which would promote participation in the FSA program.

- a. What is your preferred employee education methodology? (Mailed information? Website information? Group meetings? Other?) What educational services do you expect from the TPA during the Open Enrollment?

The vendor awarded this contract would be expected to participate in the annual fall health fair and assist county staff with communication/education materials which would promote participation in the FSA program.

7. How is the FSA program currently promoted? What methodologies, such as group meetings or benefit fairs, are utilized for employee education and enrollment?

Presently, King County has an annual health fair held in the autumn. The FSA program is also mentioned in our new employee orientations, and there is an FSA Guide for general distribution and the program is mentioned in our Summary Plan Descriptions.

8. Are you currently offering Direct Deposit of claim reimbursements?

Yes.

9. Does King County permit the 2 month and 15 day grace period for the FSA?

King County allows FSA participants to claim expenses incurred in the previous year through March 15 of the following plan year. At this time, our plan year is a calendar year and does not incorporate the IRS permitted grace period of an additional two months and 15 days nor are there plans for the immediate future to implement this period.

10. Please explain, and define the methodology of the proportional cost associated with producing SPD's and SMM's?

King County documents the time we spend on developing the SPD's and SMM's and bills the vendors for cost coverage.

- a. Should the administrators portion be included in the PEPM?

This is up to the respondent. It is our expectation that all services and charges will be identified in the proposal.

11. In Attachment B, page 39, within number 48, please clarify what King County is asking when it refers to, Terminating beneficiaries, as an on-line tool?

As part of the fall 2006 for 2007 online open enrollment employees will be able to change their beneficiaries which may include terminating their health and insurance coverage.

12. Will the Vendor be required to perform Nondiscrimination Testing for FSA only?

Yes.

13. In Part B, pg. 36, section 27b, is the historical data being referred to, for COBRA Retiree, FSA's, or both?

This would apply to active participants in FSA, COBRA and Retiree Medical.

14. With regards to IVR/ customer service access. Does English and Spanish assistance meet the needs of King County?

Only assistance in English is necessary.

15. Does King County have more than one FEIN (Federal Employer Identification Number) number? If so, please elaborate.

We use one FEIN.

16. In Section 6 question 28 d. - The testing plan seems to indicate to us that King County is looking at automatic claims adjudication for the healthcare flexible benefit account. Is this a correct assumption? If so, does King County have an expectation regarding the frequency of data file transfers between the medical carriers and the Section 125 plan administrator?

King County is not looking for automatic claims adjudication. Question 28d refers to the data file transfers with the county's health risk assessment vendor.

17. What are the average premiums that COBRA and Retirees pay?

**Monthly COBRA/Retiree Benefit Rates for Regular and Local 587 Employees**

For Group Health, there are two rate schedules. Rates for regular and part-time Local 587 Full Benefits Plan employees differ from rates for part-time Local 587 Partial Benefits Plan employees due to different utilization and experience ratings by the active employees in the plans.

Add the rates for all family members covered under each plan for the total **monthly** cost.

DP = Domestic Partner

		<b>2006</b>		<b>2005</b>
<b>KingCare Basic</b>	\$	365.70	<i>You</i>	\$ 344.35 <i>You</i>
	\$	365.70	<i>Spouse/DP</i>	\$ 344.35 <i>Spouse/DP</i>
	\$	292.57	<i>Dependent Child</i>	\$ 275.48 <i>Dependent Child</i>
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		<b>2006</b>		<b>2005</b>
<b>KingCare Preferred</b>	\$	434.34	<i>You</i>	\$ 409.30 <i>You</i>
	\$	434.34	<i>Spouse/DP</i>	\$ 409.30 <i>Spouse/DP</i>
	\$	347.47	<i>Dependent Child</i>	\$ 327.43 <i>Dependent Child</i>
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		<b>2006</b>		<b>2005</b>
<b>Group Health</b> <i>Regular/PT Full Benefits Plan</i>	\$	352.01	<i>You</i>	\$ 317.23 <i>You</i>
	\$	352.01	<i>Spouse/DP</i>	\$ 360.51 <i>Spouse/DP</i>
	\$	281.60	<i>Dependent Child</i>	\$ 331.28 <i>Dependent Child</i>
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		<b>2006</b>		<b>2005</b>
<b>Group Health</b> <i>PT Partial Benefits Plan</i>	\$	317.65	<i>You</i>	\$ 317.34 <i>You</i>
	\$	317.65	<i>Spouse/DP</i>	\$ 317.41 <i>Spouse/DP</i>
	\$	254.12	<i>Dependent Child</i>	\$ 253.32 <i>Dependent Child</i>
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		<b>2006</b>		<b>2005</b>
<b>Washington Dental Service</b> <i>COBRA only</i>	\$	62.34	<i>You</i>	\$ 62.30 <i>You</i>
	\$	62.34	<i>Spouse/DP</i>	\$ 62.30 <i>Spouse/DP</i>
	\$	49.88	<i>Dependent Child</i>	\$ 49.85 <i>Dependent Child</i>
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		<b>2006</b>		<b>2005</b>
<b>Vision Service Plan</b>	\$	9.96	<i>You</i>	\$ 9.76 <i>You</i>
	\$	9.96	<i>Spouse/DP</i>	\$ 9.76 <i>Spouse/DP</i>
	\$	7.97	<i>Dependent Child</i>	\$ 7.80 <i>Dependent Child</i>

**Monthly COBRA/Retiree Benefit Rates for Deputy Sheriffs**

Add the rates for all family members covered under each plan for the total **monthly** cost.

DP = Domestic Partner

	<b>2006</b>		<b>2005</b>	
<b>Regence</b>	\$ 404.13	<i>You</i>	\$ 384.19	<i>You</i>
<b>BlueShield</b>	\$ 404.13	<i>Spouse/DP</i>	\$ 384.19	<i>Spouse/DP</i>
	\$ 351.79	<i>Dependent Child</i>	\$ 334.44	<i>Dependent Child</i>
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	<b>2006</b>		<b>2005</b>	
<b>PacifiCare</b>	\$ 474.28	<i>You</i>	\$ 435.12	<i>You</i>
	\$ 379.47	<i>Spouse/DP</i>	\$ 348.14	<i>Spouse/DP</i>
	\$ 308.31	<i>Dependent Child</i>	\$ 282.85	<i>Dependent Child</i>
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	<b>2006</b>		<b>2005</b>	
<b>Group Health</b>	\$ 443.04	<i>You</i>	\$ 347.60	<i>You</i>
	\$ 503.48	<i>Spouse/DP</i>	\$ 395.03	<i>Spouse/DP</i>
	\$ 463.27	<i>Dependent Child</i>	\$ 363.48	<i>Dependent Child</i>
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	<b>2006</b>		<b>2005</b>	
<b>Washington</b>	\$ 69.15	<i>You</i>	\$ 67.70	<i>You</i>
<b>Dental Service</b>	\$ 69.15	<i>Spouse/DP</i>	\$ 67.70	<i>Spouse/DP</i>
<b>COBRA only</b>	\$ 55.32	<i>Dependent Child</i>	\$ 54.15	<i>Dependent Child</i>

18. What is the average monthly contribution for DCAP and Health Care Spending Accounts?

DCAP is \$155.58 and Health Care Spending Account is \$59.61

**All other terms and conditions remain the same**